

An Empirical Study on Chinese Enterprises' Talent Recruitment in Enterprise Innovation Activities

Chen Limin

Institute of Science and Technology Development, Wuhan University of Technology,
Wuhan, P.R.China, 430070
(E-mail: clm@whut.edu.cn)

Abstract: In this paper, based on the literature review, an investigation about Chinese enterprises' talent recruitment in enterprise innovation activities has been carried out more than 10 provinces of China in 2009. We found that: (1) the positive personnel turnover does not fully serve the innovation projects; (2) new employees are mainly graduates and bachelors, and enterprises emphasize loyalty and teamwork; (3) recruitment channels are relatively unitary and the recruitment work is implemented by responsible people from HR department; and (4) employee management emphasizes on the environment integration, implement performance appraisal, and conduct effective exit interviews.

Key words: enterprise innovation activities; Enterprises' talent recruitment; Personnel turnover; Recruitment

1 Introduction

As early as the investigation towards the production mode of Capitalism of Max and Engels, it has been raised that the fundamental motivation accounting for the population mobility lies in the development of social productivity and the division of labor as well as the production socialization as results of it. Thus, it can be perceived that, the creative restructuring of production function is inseparable with the population mobility. Till now, not much research has been conducted by both Chinese domestic and international scholars in the field of the relationship between enterprise innovation and the human resource recruitment. However, if extend the scope from human resource recruitment to the talent mobility, it shows that the research achievements turn to be relatively abundant. For instant, the Cook Theory raised by the American scholar Cook^[1], proposed that in order to incite the R&D personnel's creativity, enterprises should change their employees' positions and research topics timely, that is, propel the personnel transfer and turnover frequency. Through related research, Chinese domestic scholar Zhang Mingtao^[2] comes to the conclusion that, the undergraduates share a strong convergence characteristic, while enterprises lack a high-level mechanism about human resource appraisal. The restriction of working environment and welfare makes it's extremely difficult for S&T enterprises to recruit innovative talents. Gui Ping^[3] holds the opinion that, the talent mobility not only has a significant impact on the formation of enterprise innovation network, but also influence the capability and level of enterprise technology innovation. Ji Jianrui, Liu Yan, Liu Baosheng^[4] established an appraisal index system about the performance of the S&T talent mobility, adopting the factor analysis method to conduct research about the performance of S&T talent mobility in Shandong province, proposing that the performance appraisal is of crucial guidance significance to the implementation process of technology innovation. Huo Baoshi^[5] regards the turnover of technology innovative talents among enterprises with similar operating environment as a random phenomenon. Using the theory of Stochastic Processes and Markov Chains, he built a stochastic model about the mobility of technology innovative talents, which can applied to both the short-term and the long-term human resource prediction and the control of talent turnover. Based on these, this paper intends to conduct an empirical research about the regular pattern of enterprise innovation and employee recruitment.

The investigation named "Enterprises Innovation & Talent Recruitment" lasts 8 months, by conducting multiple activities such as convening entrepreneur conference, holding academic forums, visiting & researching enterprises, and conducting the questionnaire survey among MBA students, we have finished the questionnaire investigation in 145 enterprise samples located in more than 10 provinces (such as Guangdong, Shandong, Zhejiang, Hubei) of China.

2 Personnel Turnover and Innovation: The Positive Personnel Turnover Does Not Fully Serve the Innovation Projects

Personnel turnover includes human resource inflow (mainly through recruitment), interflow (mainly through transfer) and outflow (mainly through brain drains). Statistics show (see Figure 1), nationwide, in the year of both 2005 and 2006, the results of the number of enterprise personnel inflow subtract the number of personnel outflow are both positive figures. Without considering the inter-department personnel flow, it shows that enterprises in all regions of China have consistent positive personnel turnover during the recent 2 years. As the enterprise scale is being enlarged gradually, business is being extended incrementally and talents are being putting more and more attention, enterprises in various regions of China increased more efforts in recruitment, which leading to an obvious characteristic of positive personnel flow. Statistics reveal that, 82% enterprise recruiters (among whom, male recruiters occupy a large proportion in various regions of China) fail to serve the innovation projects. Compared to this, 33% recruiters in Shandong serve the innovation projects successfully, which is at a relatively high level.

Thereby, it can be perceived as the following 2 types of reasons: the first type is the enterprise innovation team is relatively stable, the personnel turnover ratio is low, therefore, to a large extent, the recruiters do not recruit human resources on the basis of catering to the needs of innovation projects, thus the innovative talents do not constitute a large proportion in recruited human resource. The second type of reason lies in that innovation projects mainly adopt matrix structure in their innovation implementation, project manager has the direct influence over the personnel flow, so the approach of innovative talents recruitment is somewhat different from the other ordinary recruitment approach, making the recruiter can not totally serve the innovation project. Thereby we arrive at a conclusion: the universal positive personnel turnovers do not totally serve the innovation project.

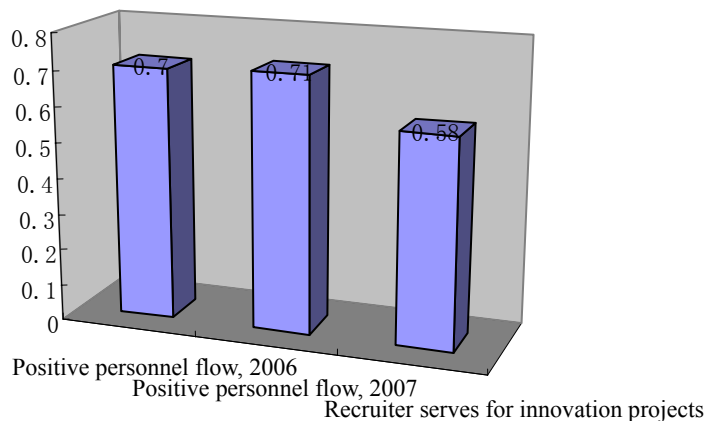


Figure 1 Proportion of Enterprise Personnel Turnover & Recruitment Work Which Successfully Serve the Innovation Projects

From the statistics of enterprises with different established years, most recruiters in the enterprises with a less than 5 years history fail to serve innovation projects, while most recruiters in these enterprises which have a longer than 5 years history serve the innovation projects. It can be understood as that the innovation plans are described more clearly in those enterprises with a relatively long history, making the work of recruiters matches well with these plans. From the statistics of enterprises with different scales, the failure ratio of the recruiters in the enterprises have a staff of less than 250 in serving the innovation projects is high, while the situation comes to an opposite side when it comes to these enterprises with more than 250 employees. From the statistics of enterprises with different ownership, the data all conform to the regular pattern in various regions of China.

3 Characteristics of New Employees: Mainly Are Graduates and Bachelors, Enterprises Emphasize Loyalty and Teamwork

From the investigation samples of enterprises in different areas of China, the new employees in the enterprises in Guangdong, Shandong, Hubei, and Zhejiang mainly comes from graduating students, while the enterprises in other regions mainly recruit employees from other enterprises. From the

educational background of those recruits recruited in 2005-2006, Bachelors constitute a largest proportion (55%) while the recruitment of Master and higher academic level students only occupies a proportion of 6%. From the requirements about personal quality and personality enterprises set for new employee recruitment, 62% enterprises put much emphasis on loyalty, 61% enterprises emphasize the teamwork spirit, and still 52% enterprises stress the sense of creativity and originality. Therefore, we can infer that, the newly graduated students, especially the ones with a Bachelor degree, are the main target group of enterprises' recruitment, while Master students and the students with higher academic levels do not reflect their educational background advantages in the process of talent recruitment. Linking up with the previous part of statistical analysis, although the recruiters fail to serve the innovation projects, among the judgment criteria of human resource quality during the recruitment process, besides loyalty and teamwork spirit, the weight of a sense of innovation is still heavy. Therefore under the condition that newly graduated students constitute the main warehouse of enterprises' talent stocking, to cultivate a sense of creativity and originality is rather crucial to increase the graduates' employment rate and propel the implementation of enterprises' innovation projects. See Figure 2 for details.

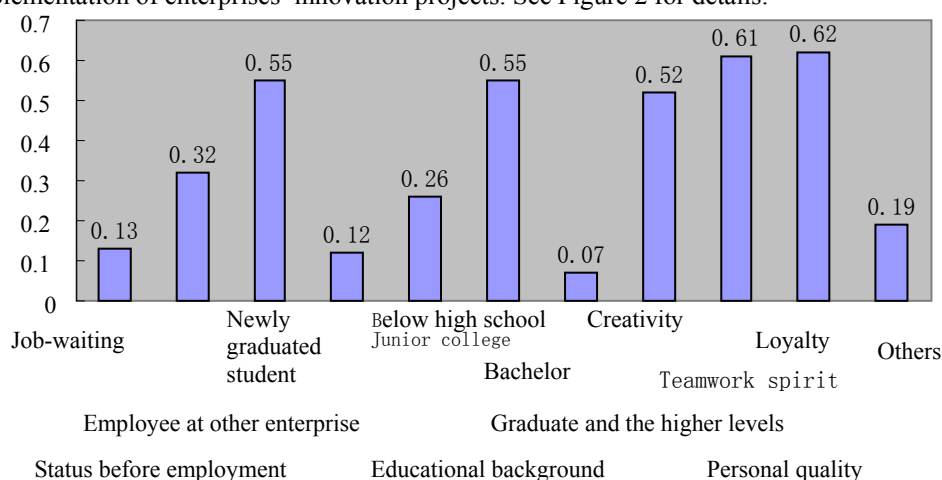


Figure 2 Characteristic Indicators of Preable Recriment Channels

From the statistics of enterprises with different established years, most enterprises operate less than 5 years are prone to recruit the employees from other enterprises, namely, those experienced staff, and pay more attention to the loyalty of new employees. Most enterprises with a history of more than 5 years are prone to recruit graduates with a Bachelor degree, and attach relatively more attention to employees' teamwork spirit. From the statistics of enterprises of different ownerships, the employees partnerships recruit are mainly from other enterprises, the new employees of the enterprises with other ownerships mainly are newly graduated students; enterprises all emphasize employees' teamwork spirit and loyalty.

4 Recruitment Channels and Its Organization: Recruitment Channels Are Relatively Unitary; the Recruitment Work Is Implemented by Responsible People from HR Department

Currently the approaches of enterprise recruitment involves several channels such as enterprise internal information network, external public websites, posted information & media advertisements, talents exchange center, talent market and the recruitment intermediaries. In view of currently the recruits of enterprises in all regions of China mainly centered on newly graduated students, correspondingly, statistics(see Figure 3) show that the recruitment channels of 57% enterprises is talent market, 43% enterprises' recruitment channel is talents exchange center. It is thus clear that, media and information development do not show an absolute advantage, while traditional talent exchange center and talent market remain the main channel of recruitment.

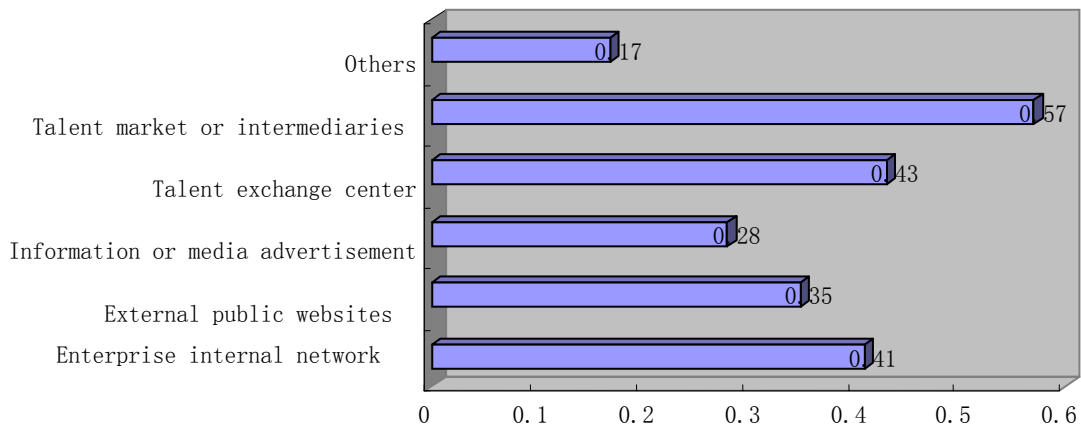


Figure 3 Proportions of preferable recruitment channels

According to the statistics(see Figure 4), more than half of the enterprise recruitment is conducted under the charge of HR responsible persons, it can be perceived that under the premise that each department operates in coordination with HR department to better complete the HR plan and the work instruction, because the recruitment targets are mainly these conventional talents who first step into the society shortly after their graduation from university, basically can be organized and implemented by the HR department. The thing which needs to be particularly pointed out is that, to these specific majors and scarce talents, the recruitment work is still jointly conducted by the HR department as well as the corresponding employment sector to guarantee the adaptability of the newly hired personnel. From the main content of the recruitment interview, according to the priority, they are personal C.V (89%), welfare and salary (74%), individual development vision (56%), work timetable (38%) and others (16%).

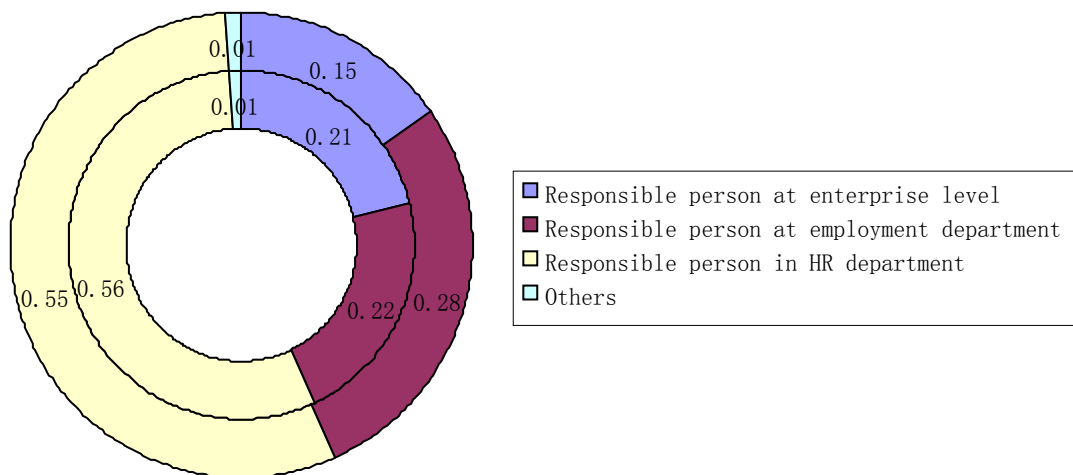


Figure 4 Proportion of Type of Recruiter in Charge of Interviewee Selection

From the statistics of enterprises with different established years, most enterprises with a history less than 5 years stand for by the enterprise chief leader to select the candidates to take part in the interview, more enterprises set up more than 5 years advocate by the person in charge of the HR department to select candidates to participate the interview. From the statistics of enterprises with different scales, the recruitment process of these enterprises with a staff of less than 500 is mainly organized by the person in charge of the enterprise, the enterprise with a staff number of more than 500 mainly through the person-in-charge to conduct the selection. The recruitment interview of these enterprises with a number of staff less than 250 is mainly be charged by the person in charge of the enterprise, while in these enterprises with more than 250 employees, the interview is mainly under the responsibility of the people in charge of HR department. From the statistics of enterprises of different ownerships, partnership enterprises and individual companies are more prone to select the interviewees by the responsible person

in enterprise, while the enterprises of other ownership are more inclined to conduct the interviewee selection under the control of the person in charge of HR department.

5 Employee Management: Emphasize Environment Integration, Implement Performance Appraisal, Conduct Effective Exit Interviews

Statistics show that, in order to better assist the newly hired employees to integrate into the enterprises' environment and can conduct work smoothly, as many as 74% of the surveyed enterprises organized orientation training for new employees, 63% of the surveyed enterprises intend to arrange guides (or master workers) for new employees. As a matter of fact, through the training, new employees can receive information about many aspects such as the corporate culture, basic system, conduct code, and personal development, and can get themselves familiar with the corporate environment and their jobs. 88% of the surveyed enterprises have set up related appraisal objectives. Those employees who perform badly and fail to serve their positions, will be weeded out, on the contrary, these excellent employees will get promotions and a raise in salary. This system provides more development space for the excellent employees, and help enterprises to maintain the entrepreneurial passion. 88% enterprises arranged exit interview for their exit employees; it is helpful for enterprise to know the real reasons why their employees prefer to leave. This kind of exit interview can balance the benefits among employees, department, and the enterprise, reduce the negative influence on both the personnel psychology and corporate image, make sure the smooth implementation of exit procedure.

6 Conclusion

From the statistics of enterprises with different established years, most enterprises with a less-than-5-year history tend to arrange master worker (or guider) to new employees to make it's more smooth for them to melt into the enterprise, and most enterprises with a history more than 5 years are inclined to make new employees get acquaintance to the new environment by organizing trainings. From the statistics of enterprises of different scale, the enterprises have less than 250 employees are prone to appoint master workers or guiders to new employees, while the enterprises with more than 250 employees prefer to arrange trainings for the new employees. From the statistics of enterprises of different ownership, besides limited liability companies and individual companies, the enterprises of other ownership are prone to help their new employees adapt themselves to the new environment through orientation training.

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